

**U.S. DEPARTMENT OF ENERGY
OFFICE OF CIVILIAN RADIOACTIVE WASTE MANAGEMENT
OFFICE OF QUALITY ASSURANCE**

SUPPLIER AUDIT REPORT

OF

**METAL SAMPLES CO., INC.
A SUBSIDIARY OF
ALABAMA SPECIALTY PRODUCTS, INC.**

MUNFORD, ALABAMA

**REPORT NUMBER OQA-SA-96-007
DECEMBER 12 THROUGH 13, 1995**

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Approved by: *DC Spence For* Date: 1/2/96
Donald G. Horton
Director
Office of Quality Assurance

1.0 EXECUTIVE SUMMARY

The results of the supplier audit of Metal Samples Co., Inc. (MSC), a subsidiary of Alabama Specialty Products, Inc., revealed unsatisfactory conditions resulting in the issuance of one Corrective Action Request (CAR), four Deficiency Reports (DRs) and three Performance Reports (PRs) to Lawrence Livermore National Laboratory (LLNL) for action by Metal Samples Company, Inc. which relate to the Quality Assurance (QA) program for the Office of Civilian Radioactive Waste Management (OCRWM) activities. Based on these deficiencies, implementation of Alabama Specialty Products, Inc.'s QA system is considered ineffective in the areas of management reviews, procurement, control of suppliers, nonconformance control, and audits. The CAR related to the lack of evidence of supplier qualification for the purchase of material for the Lawrence Livermore National Laboratory (LLNL) quality related contract. It should be noted that failure to have documented evidence of supplier qualifications or alternate methods for qualification of the materials has a direct impact on the quality of the samples provided to LLNL. The DRs relate to a lack of documented personnel training, management reviews, nonconformances, and audits. The PRs relate to problems with inspection tagging, monitoring controls for the calibration laboratory, and storage of records. Areas that were considered above average were storage control and material identification. The machine shop and storage areas were very clean and orderly. Material tracking and other pertinent information is electronically entered into a data base at receiving. The electronic data base references all pertinent documentation (i.e., specifications, drawings, etc.) related to a specific material or product.

The unsatisfactory conditions identified during the audit were discussed with the President and Compliance Director of Metal Samples Co., Inc. who agreed to resolve the unsatisfactory conditions upon receipt of the reported conditions adverse to quality. As stated above, the conditions found appear to have an adverse impact on the activities associated with Metal Samples Co., Inc.'s scope of work related to OCRWM activities.

2.0 SCOPE

The supplier audit was conducted to evaluate the adequacy, implementation, and effectiveness of Alabama Specialty Products, Inc.'s quality system as implemented by Metal Samples Co., Inc. This was accomplished by determining if Alabama Specialty Products, Inc.'s QA system satisfies the QA requirements specified in the LLNL procurement document B313954, Alabama Specialty Products, Inc. Quality Assurance Manual, Revision NEW, dated May 1994, as accepted by the LLNL, and the OCRWM Quality Assurance Requirements and Description (QARD) for the scope of work. The QA program elements determined to be applicable are: Organization; QA Program; Procurement Document Control; Implementing Documents; Document Control; Control of Purchased Items and Services; Control of Measuring and Test Equipment; Nonconformance Control; Corrective Action; QA Records; and Audits.

3.0 AUDIT TEAM AND OBSERVERS

Richard L. Maudlin, Audit Team Leader, Office of Quality Assurance (OQA), Yucca Mountain Quality Assurance Division (YMQAD)

4.0 PERSONNEL CONTACTED DURING FACILITY AUDIT

F. Douglas, Compliance Director, Metal Samples Co., Inc.
K. Johnson, President, Metal Samples Co., Inc.
L. Braden, Quality Control Manager, Metal Samples Co., Inc.
B. Bell, Quality Control Inspector, Metal Samples Co., Inc.
M. Sirman, Receiving Clerk, Metal Samples Co., Inc.
L. Price, Purchasing Agent, Metal Samples Co., Inc.
L. Smith, Document Control Supervisor, Metal Samples Co., Inc.
R. Borchard, Administrative Manager, Metal Samples Co., Inc.

5.0 SUMMARY OF AUDIT RESULTS

Alabama Specialty Products, Inc.'s Quality Assurance Manual dated May 1994, addresses the applicable elements of the LLNL procurement document No. B313954 and the applicable elements of the OCRWM QARD for the intended scope of work. Alabama Specialty Products, Inc. has just released revision 1 to their QA Manual. The reason for the revision was to incorporate updates to ISO 9000. MSC has a solid documented QA system; however, implementation of several aspects was ineffective. The audit revealed that the QA Manual and associated Operating Procedures were considered to be adequate for the intended scope of work. However, due to the lack of any system verification activities and management reviews to evaluate the effectiveness of implementation, many problems that should have been detected were not. Alabama Specialty Products, Inc. management needs to strongly evaluate their commitment to a quality program and then implement a rigorous verification effort to determine effectiveness..

The details of the audit, along with the objective evidence reviewed, are contained within the audit checklist which is available from the OQA's supplier evaluation files.

6.0 DEFICIENCIES/RECOMMENDATIONS

The unsatisfactory conditions have been documented on the respective corrective action documents and submitted to LLNL for resolution. Recommendations, as applicable, have been provided for Metal Samples Co., Inc.'s management consideration and action as deemed appropriate. The recommendations are offered as suggestions to improve your processes and are not required to be acknowledged unless otherwise stated.

DEFICIENCIES

1. CAR No. YMQAD-96-C001 - Alabama Specialty Products, Inc. Operating Procedure POP-002, Revision: NEW requires that Purchasing check the suppliers reputation and references before adding the supplier to the Approved Suppliers List. The OCRWM Quality Assurance Requirements and Description (QARD), Revision 5, requires that supplier selection include an evaluation of supplier history or an evaluation of the supplier's current QA records or an evaluation of the supplier's technical and quality capability based on a physical evaluation. Contrary to these requirements, no objective evidence could be provided that the suppliers who provided material for the LLNL contract had been evaluated prior to placing them on the Approved Suppliers List. In addition, a calibration supplier had been used to calibrate MSC standards without any evidence of supplier evaluation.
2. DR No. YMQAD-96-D016 - Alabama Specialty Products, Inc.'s QA Manual, Revision: NEW, requires that executive management review the QA system at least once per year. Operating Procedure QOP-001, Revision: NEW, requires that for the first two years following initial implementation of the QA program, management reviews will be conducted twice per year. Contrary to these requirements, no evidence exists to indicate that management reviews have been performed since implementation of the QA system dated May 1994.
3. DR No. YMQAD-96-D017 - MSC Operating Procedure AOP-001, Revision: NEW, requires that all new and existing employees receive training on the quality system. Contrary to this requirement, no evidence could be provided that two of three personnel had received training on the quality system.
4. DR No. YMQAD-96-D018 - MSC Operating Procedure QOP-008, Revision: NEW, requires that whenever a nonconformity is identified, it is documented on an Anomaly Report. In addition, the third section of the Anomaly Report is required to state the actions to preclude recurrence. Contrary to these requirements, two work orders identified nonconforming conditions; however, there was no evidence of an Anomaly Report documenting the nonconformance. Also, one Anomaly Report reviewed did not contain the actions to preclude recurrence in section three.
5. DR No. YMQAD-96-D019 - MSC Operating Procedure QOP-011, Revision: NEW, requires that the Compliance Director plan and schedule internal quality audits. Each main activity comprising the quality system is audited at least once per year. Contrary to these requirements, there is no objective evidence that internal audits have been performed since the issuance of the QA Manual in May 1994.

6. PR No. YMQAD-96-P014 - MSC Operating Procedure QOP-003, Revision:NEW, requires that standard catalog items that need not be subjected to a second stage inspection are labeled with a green accepted tag or sticker. If the items are custom orders, they will be tagged with a yellow hold for quality tag. MSC Operating Procedure QOP-005, Revision: NEW, requires that products that have passed all reviews, inspections and tests will be labeled with a green accepted tag. Contrary to these requirements, material was observed that had been released from receiving without any green or yellow tag indicating status. Products that had received final inspection were being packaged with no evidence of a green accept tag.

7. PR No. YMQAD-96-P015 - MSC Operating Procedure QOP-007, Revision: NEW, requires that calibration be performed in an environment that is controlled to be within a temperature range of 65F to 75F and a relative humidity range of 45% to 70%. Alabama Specialty Products, Inc. QA Manual, Revision: NEW, indicates that a documented QA system has been implemented that ensures compliance of our products and services to all contractually specified requirements. Contrary to the above, no instrumentation was found in the calibration laboratory to monitor temperature and humidity. Also, there was no evidence that the instrument that had been used was ever calibrated. Additionally, there are no documented calibration procedures which identify acceptance tolerances for MSC instruments.

8. PR No. YMQAD-96-016 - Alabama Specialty Products, Inc. QA Manual, Revision: NEW, indicates that a documented QA system has been implemented that ensures compliance of our products and services to all contractually specified requirements. OCRWM QARD, Revision 5, requires that records shall be temporarily stored in a container or facility with a fire rating of one hour. Contrary to these requirements, temporary records are not being stored in a container or facility with a one hour fire rating. Also, there is no evidence of dual storage.

RECOMMENDATIONS

None